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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte CHARLES ERIC HUNTER,
BERNARD L. BALOU, JR., KELLY C. SPARKS,
and JOHN H. HEBRANK

Appeal 2008-4518
Application 09/707,273
Technology Center 3600

Decided: August 25, 2009

Before HUBERT C. LORIN, JOSEPH A. FISCHETTI, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON REQUEST FOR REHEARING

STATEMENT OF THE CASE¹

The Appellants have filed a Request for Rehearing, under 37 C.F.R. § 41.52, of the Decision by the Board affirming the rejection of claims 40-42, 48, 50, 52-54, 60, 62, and 64-71 under 35 U.S.C. §102(b) as being anticipated by Schulhof; claims 49, 51, 61, 63, and 72 under 35 U.S.C. § 103(a) as being unpatentable over Schulhof; and, claims 43-47 and 55-59 under 35 U.S.C. §103(a) as being unpatentable over Schulhof and McMillen.

In accordance with 37 C.F.R. § 41.52(a)(1), the Request indicates certain points in particular that the Appellants believe the Board misapprehended or overlooked in reaching its decision. The Request challenges the Board's construction of claims 40 and 43 and the decision to affirm the rejection of these claims under §102 and 103, respectively, based on that construction.

It should be noted that the Request focuses solely on claims 40 and 43. However, the limitations in claims 40 and 43, whose construction is at issue, also appear in apparatus claims 64-72. Yet, the affirmance of the rejections of those claims is not being challenged. Furthermore, while the Appellants challenge the Board's affirmance of the §102 rejection of claim 40, via a dispute over the Board's construction of that claim, there is no challenge to the rejection of claims 49, 51, 61, and 63 that depend on claim 40, but which were rejected under §103. There is, therefore, an

¹ Our decision will make reference to the Appellants' Request for Rehearing ("Request," filed Apr. 17, 2009) and the Board of Patent Appeals and Interferences' Decision ("Decision," mailed Feb. 19, 2009), and the Appellants' Specification ("Spec.," filed Nov.6, 2000).

inconsistency in the Appellants' position toward the Board's decision to affirm the rejections of the claims on appeal.

We have reviewed the Request for Rehearing in its entirety but do not find reason to change the decision to affirm the rejections of the claims. We will, however, modify our analysis and, as a result of doing so, denominate their affirmance as new grounds of rejection, under 37 C.F.R. § 41.50(b).

DISCUSSION

Claim 40

The issue is whether Schulhof describes the limitation "said charging triggered upon the consumer recording the music selection."

The Appeal Brief argued that Schulhof

is silent on how and when the consumer is charged or billed for these orders [i.e., the selected audio program material]. In fact, Schulhof, at al. teaches or suggests that the consumer is charged at the time of ordering, as opposed to "upon the consumer recording the music selection on a storage medium located at a consumer site," according to claim 40.

Br. 6 (*See* Decision 10). Accordingly, there has never been any dispute that Schulhoff described "charging" *at the time of ordering*. That Schulhoff describes authorizing billing to a credit card or other account at the time of ordering an audio program was a fact that was not in dispute. *See* Decision 5; FF 7. We accepted that Schulhof's authorizing the billing of a credit card was not the same as asking for payment, as the term "charging" was reasonably broadly construed, but we found that "charging" the credit card - which is an asking for payment - necessarily flowed from and would be an

automatic result of the authorization to bill the credit card. Decision 9. The Board found therefrom that Schulhof necessarily described automatically charging a credit card triggered by ordering an audio program. Decision 9-10. We see nothing in the Request that disputes this finding.

The only question is whether Schulhof further describes automatically charging the credit card triggered *upon recording* the audio program. We have reviewed the Decision's answer to this question and find that the logic used in the Decision's analysis in concluding that Schulhof describes automatically charging the credit card triggered *upon recording* the audio program could have been strengthened.

In addressing the question of whether Schulhof describes automatically charging the credit card triggered *upon recording* the audio program, the Decision does not appear to clearly address *when* Schulhof begins the recording of the audio program in relation to the ordering of the audio program. There is no dispute that Schulhof describes an operation whereby a subscriber selects a desired audio program material *for recording* onto a portable device. Decision 5, FF 7. What the Decision does not clearly explain is *when* a subscriber practicing the Schulhof process would begin recording the selected desired audio program. Without that piece of information, it was an unreasonable leap to conclude, as the Decision did, that Schulhof inherently describes automatically charging a credit card triggered, not just upon ordering an audio program, but *upon recording* of the audio program as well.

We should have emphasized, as we do here, that Schulhof discloses "immediately" transferring the desired audio program to the portable device

after it is selected and ordered. *See* Decision 5, FF 7. One of ordinary skill in the art reading Schulhof would understand Schulhof to be describing an operation whereby the selected desired audio programs are “immediately” recorded upon ordering. The ordinary and customary meaning of “immediately” is “without delay; at once; instantly”. (*See Webster’s New World Dictionary* 674 (3rd Ed. 1988).)(Entry 2. for “immediately.”) Since there is no dispute that Schulhof describes automatically charging a credit card triggered upon ordering an audio program and given that Schulhof describes the instant recording of the selected desired audio program upon ordering, it logically follows that Schulhof necessarily describes “automatically charging a consumer for a music selection made by the consumer, said charging triggered *upon the consumer recording* the music selection on a storage medium located at a consumer site” as claimed.

This modification to the Decision’s analysis is significantly different from the rationale the Examiner used to reject claim 40 under §102 over Schulhof. Accordingly, though we will maintain the affirmance of the rejection of claim 40, we will denominate it as a new grounds of rejection under 37 C.F.R. § 41.50(b). Although the Appellants have been inconsistent in challenging the rejection of claim 40 but not the other claims, because the limitation at issue appears in all the claims and the analysis of Schulhof affects the grounds of rejections for all the claims, in the interest of adjudicatory consistency, we will maintain the decision to affirm the rejections of claims 41, 42, 48, 50, 52-54, 60, 62, and 64-71 under 35 U.S.C. §102(b) as being anticipated by Schulhof; claims 49, 51, 61, 63, and 72 under 35 U.S.C. § 103(a) as being unpatentable over Schulhof; and, claims

43-47 and 55-59 under 35 U.S.C. §103(a) as being unpatentable over Schulhof and McMillen, but also denominate their affirmance as new grounds of rejection under 37 C.F.R. § 41.50(b).

Claim 43

The Appellant criticizes one of the three reasons we gave for agreeing with the Examiner's position. We stated:

Second, the Appellants' argument that McMillen does not describe "informing the consumer that the music selection is available for purchase if said music selection is about to be made at a peer-to-peer music sharing system" does not appreciate the fact that the claim conditions the "informing" step on the music selection being "about to be made at a peer-to-peer music sharing system." The claim encompasses the situation where *no* music selection "is about to be made at a peer-to-peer music sharing system." In that situation, there is no requirement that the consumer be informed about a music selection available for purchase and thus, in light of the scope of the claim, it is not necessary to look to McMillen for a disclosure of "informing the consumer that the music selection is available for purchase if said music selection is about to be made at a peer-to-peer music sharing system."

Decision 14. We will modify the Decision to eliminate this reason - as it is not necessary to rely on it. We will rely on the other two reasons given in the Decision, which reasons have not been challenged.

We would like to make this comment, however.

We agree with the Appellants (Request 10-11) that a method claim may present contingent steps and that the law clearly requires that the contingent steps be addressed in order that a rejection of such a method claim can be sustained. But the reason we indicated that "[t]he claim encompasses the situation where *no* music selection "is about to be made"

(Decision 14) was not because we had decided the contingency need not be addressed but because the step was contingent on an event whose culmination was impossible to determine. The claim conditions a consumer's informing of the availability for purchase of a music selection on a selection *about to be made*. A selection that is *about to be made* is but a prospective decision about making a music selection unbounded by time or action. As reasonably broadly construed, the condition "about to be made" covers the mere *thought* of making a selection. Thus, the method of claim 43 is not limited so as to require making a selection. A selection need only be *about to be made*. Thus, the claimed method covers a situation where a music selection is never in fact made. That was the source of our difficulty.

The Appellant also argues that "the Board failed to appreciate that Schulhof teaches away from substituting a pay per view cable system with a peer-to-peer system, [and therefore] it was error for the Board to find claim 43 obvious by substituting McMillen's peer-to-peer system for Schulhof's pay per view system." Request 13. This argument is not persuasive as to error in the Decision because it was not presented in the Appeal Brief. This is not a point that we could have "misapprehended or overlooked" (§ 41.52(a)(1)) because it was never raised in the Brief for our consideration. This is a new argument not raised in the Brief and no good cause has been shown as to why it should now be permitted for our consideration. See § 41.52(a)(1). Accordingly, the argument is not persuasive as to error in the Decision.

CONCLUSION

We have carefully considered the arguments that the Appellants have set forth in the Request but, for the foregoing reasons, we do not find them persuasive as to error in the decision to affirm the rejections of claims 40-42, 48, 50, 52-54, 60, 62, and 64-71 under 35 U.S.C. §102(b) as being anticipated by Schulhof; claims 49, 51, 61, 63, and 72 under 35 U.S.C. § 103(a) as being unpatentable over Schulhof; and, claims 43-47 and 55-59 under 35 U.S.C. §103(a) as being unpatentable over Schulhof and McMillen.

However, the Decision's claim construction analysis is modified, as discussed in this Decision on Request for Rehearing with respect to claim 40 (*See supra*). The modified claim construction analysis applies to all the claims on appeal and renders the rationale for affirming the rejections substantially different from that of the Examiner. Accordingly, we grant the Request to the extent that we have modified our position and, though we maintain the decision to affirm the rejections, the affirmance denominates new grounds of rejection under 37 C.F.R. § 41.50(b).

This decision contains new grounds of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that the appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

- (1) Reopen prosecution. Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims

so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner

- (2) Request rehearing. Request that the proceeding be reheard under § 41.52 by the Board upon the same record

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

GRANTED; 37 C.F.R. § 41.50(b)

mev

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